

Financial Report

Village East Fire Protection District

Houma, Louisiana

December 31, 2001

TABLE OF CONTENTS

Village East Fire Protection District

December 31, 2001

	<u>Exhibits</u>	<u>Page Number</u>
Introductory Section		
Title Page		i
Table of Contents		ii - iii
Financial Section		
Independent Auditor's Report		1 - 2
Combined Balance Sheet - Governmental Fund Type and Account Group	A	3
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund	B	4
Notes to Financial Statements	C	5 - 14
	<u>Schedules</u>	
Supplementary Information Section		
Independent Auditor's Report on Additional Information		15
Schedule of Revenues and Expenditures for the Years Ended December 31, 2001, 2000 and 1999	1	16
Graph of Revenues for the Years Ended December 31, 2001, 2000 and 1999	2	17
Graph of Expenditures for the Years Ended December 31, 2001, 2000 and 1999	3	18

TABLE OF CONTENTS

(Continued)

	Page Number
Special Reports Of Certified Public Accountants	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General-Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	19 - 20
Schedule of Findings	21 - 23
Reports By Management	
Schedule of Prior Year Findings	24
Management's Corrective Action Plan	25

FINANCIAL SECTION



Bourgeois Bureau

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Village East Fire Protection District,
Houma, Louisiana.

We have audited the accompanying general-purpose financial statements of the Village East Fire Protection District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village East Fire Protection District as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated May 16, 2002 on our consideration of the Village East Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Bougie Bennett, LLC

Certified Public Accountants

Honora, La.,
May 16, 2002

COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP

Village East Fire Protection District

December 31, 2000

	<u>Governmental</u> <u>Fund Type</u> <u>General</u>	<u>Account Group</u> <u>General</u> <u>Fund</u> <u>Assets</u>	Total (Memorandum Only)
ASSETS			
Assets			
Investments	\$ 966,876	\$ -	\$ 966,876
Receivables - taxes	39,421	-	39,421
Due from other governmental units	48,201	-	48,201
Fund assets	<u>-</u>	<u>71,691</u>	<u>71,691</u>
Total assets	<u>\$ 1,054,498</u>	<u>\$ 71,691</u>	<u>\$ 1,126,189</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities			
Accounts payable and accrued expenditures	\$ 1,802		\$ 1,802
Deferred revenue	<u>67,776</u>		<u>67,776</u>
Total liabilities	<u>69,578</u>		<u>69,578</u>
Equity and Other Credits			
Investment in general fund assets	-	\$ 71,691	71,691
Fund balance - unreserved	<u>365,876</u>	<u>-</u>	<u>365,876</u>
Total equity and other credits	<u>365,876</u>	<u>71,691</u>	<u>437,567</u>
Total liabilities, equity and other credits	<u>\$ 435,454</u>	<u>\$ 71,691</u>	<u>\$ 507,145</u>

See notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL:
GOVERNMENTAL FUND TYPE - GENERAL FUND

Village East Fire Protection District

For the year ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 58,200	\$ 58,794	\$ 594
Intergovernmental			
State of Louisiana:			
State revenue sharing	5,200	5,583	383
Fire insurance tax	7,500	8,419	919
Miscellaneous - interest	8,000	12,082	7,082
Total revenues	<u>80,000</u>	<u>88,877</u>	<u>8,877</u>
Expenditures			
Current			
General Government:			
Ad valorem tax adjustment	4,111	3,164	2,947
Ad valorem tax deductions	3,090	4,162	(2,162)
Total general government	<u>6,111</u>	<u>3,326</u>	<u>789</u>
Public Safety:			
Supplies and materials	9,346	3,349	6,000
Other services and charges	22,094	22,313	(461)
Repairs and maintenance	9,590	10,136	(916)
Capital expenditures	644	2,153	(1,706)
Total public safety	<u>41,680</u>	<u>38,187</u>	<u>3,217</u>
Total expenditures	<u>47,791</u>	<u>41,713</u>	<u>4,052</u>
Excess of Revenues Over Expenditures	<u>\$ 32,285</u>	<u>40,164</u>	<u>\$ 12,879</u>
Fund Balance			
Beginning of year		<u>217,910</u>	
End of year		<u>\$ 362,074</u>	

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Village East Fire Protection District**

December 31, 2000

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village East Fire Protection District (the District) conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2001.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Account Group

An account group is used to establish accounting control and accountability. The District's Account Group is as follows:

General Fixed Assets Account Group - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as not current assets. Ad valorem taxes and the related state revenue sharing (intergovernmental revenues) are recorded as revenue in the period for which levied, thus the 2001 property taxes which are being levied to finance the 2002 budget will be recognized as revenue in 2002. The 2001 tax levy is recorded as deferred revenue in the District's 2004 Financial Statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 18:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. However, the District's budget was not itemized by line item as required by Louisiana Revised Statutes 18:1365. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District did not amend its budget during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

f) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Investments

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets, to compute share prices if certain conditions are met.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments (Continued)

Investments during the year consisted of Certificates of Deposit, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes and LAMP.

h) Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost.

i) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the District.

j) Memorandum Only - Total Column

The total column on the general-purpose financial statement is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does not present information that reflects financial position or results of operations in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS

District monies are held in a cash and investment pool maintained by the Parish and is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash" and "investments".

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana or any other federally insured investment.

Bank deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an affiliated bank or trust company for the account of the political subdivision.

Deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name and deposits which are uninsured or uncollateralized.

The year end balances of deposits are as follows:

	Bank Balances Category			Book Balance
	1	2	3	
Certificates of deposit	\$0	\$0	\$218,932	\$218,932

Notes 2 - DEPOSITS (Continued)

As previously mentioned, funds are held and invested by the Parish. The Parish has proper pledging to cover funds for the District. At December 31, 2000, certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the Parish. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions GASB Statement 3, Louisiana Revised Statute 38:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements and the Louisiana Asset Management Fund.

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the District's name.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

At year end the investment balances are as follows:

	<u>Risk Category</u>			<u>Reported Amount/ Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Investment subject to categorization:				
Federal Home Loan Bank Notes	\$ 25,178	\$ -	\$ -	\$ 25,178
Federal Farm Credit Bank Notes	38,394	-	-	38,394
Federal Home Loan Mortgage Corporation Notes	25,606	-	-	25,606
Federal National Mortgage Association Notes	34,279	-	-	34,279
Totals	<u>\$113,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$113,457</u>
Investments not subject to categorization:				
Louisiana Asset Manage- ment Pool (LAMP)				<u>30,489</u>
Total investments				<u>\$143,946</u>

Investments in the Louisiana Asset Management Pool are not categorized as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a-7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies,

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 357 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost which approximates market. Accordingly, the fair value of the District's position in LAMP is the same as the value of LAMP shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

A reconciliation of deposits and investments as shown on the Combined Balance Sheet for the District is as follows:

Reported amount of deposits	\$218,939
Reported amount of investments	<u>147,932</u>
Total	\$366,871
Investments	<u>\$366,871</u>

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2001 was \$7.00 per \$1,000 of assessed valuation on property within Village East Fire Protection District for the purpose of acquiring, constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for the fire protection purposes, including fire hydrant rentals and services. As indicated in Note 1a, taxes levied November 1, 2001 are for budgeted expenditures in 2002 and will be recognized as revenues in 2002.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2001 consisted of the following:

State of Louisiana - State revenue sharing	\$ 4,853
Terrebonne Parish Tax Collector - December, 2001 collections remitted to the District in January, 2002	
Ad valorem taxes	41,079
State revenue sharing	<u>2,427</u>
Total	\$48,313

Note 5 - FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January 1, 2001	Addi- tions	Dele- tions	Adjus- ments	Balance December 31, 2001
Trucks	\$13,629	\$ -	\$ -	\$11,800	\$44,829
Machinery and equipment	<u>18,174</u>	<u>2,153</u>	<u>835</u>	<u>2,170</u>	<u>22,662</u>
Total	\$32,003	\$2,153	\$835	\$13,970	\$21,601

Adjustments are due to a final accounting and allocation of fire district assets previously reported in the General Fixed Assets Account Group of the Parish.

There are numerous assets, vehicles and equipment, used by the District which were purchased by a not-for-profit volunteer fire company. These assets remain in the name of the volunteer fire company and accordingly are not included in the General Fixed Assets Account Group of the District.

Note 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

Note 7 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 2001.

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,
Village East Fire Protection District,
Houma, Louisiana.

Our report on our audit of the general-purpose financial statements of Village East Fire Protection District (the District) for the year ended December 31, 2001, appears on page 1. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of revenues and expenditures and graphs of revenues and expenditures for the year ended December 31, 2001 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements for the year ended December 31, 2001, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the balance sheets of Village East Protection District as of December 31, 2000 and 1999, and the related statements of revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 2000 (none of which is presented herein), and we expressed unqualified opinions on these financial statements. In our opinion, the information presented in the schedule of revenues and expenditures and graphs of revenues and expenditures for the years ended December 31, 2000 and 1999 is fairly stated in all material respects in relation to the general-purpose financial statements from which it has been derived.

Bourgeois Bennett, LLC.

Certified Public Accountants.

Houma, La.,
May 16, 2002.

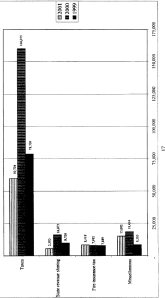
SCHEDULE OF REVENUES AND EXPENDITURES**Village East Fire Protection District**

For the years ended December 31, 2001, 2000 and 1999

	<u>2001</u>	<u>2000</u>	<u>1999</u>
REVENUES			
Taxes	\$ 39,794	\$ 168,873	\$ 38,709
State revenue sharing	5,980	16,873	9,738
Fire insurance tax	8,418	7,982	7,889
Miscellaneous	<u>15,082</u>	<u>18,474</u>	<u>8,305</u>
Total revenues	<u>\$ 88,877</u>	<u>\$ 202,564</u>	<u>\$ 104,841</u>
EXPENDITURES			
General government	\$ 5,316	\$ 17,870	\$ 5,648
Supplies and materials	3,343	8,720	1,610
Other services and charges	22,513	28,334	12,498
Repairs and maintenance	19,876	5,597	19,098
Capital expenditures	<u>2,353</u>	<u>13,548</u>	<u>24,762</u>
Total expenditures	<u>\$ 43,713</u>	<u>\$ 68,039</u>	<u>\$ 54,616</u>

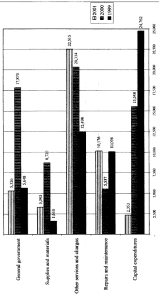
BUSINESS**Village East Fire Protection District**

For the years ended December 31, 2001, 2000 and 1999



EXPENDITURES**Village East Fire Protection District**

For the year ended December 31, 2001, 2000 and 1999



SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
Village East Fire Protection District,
Houston, Louisiana.

We have audited the general-purpose financial statements of the Village East Fire Protection District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 14, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings as 01-1 and 01-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that

misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Bougie Bennett, L.L.C.

Certified Public Accountant

Houma, La.,
May 16, 2002.

SCHEDULE OF FINDINGS

Village East Fire Protection District

For the year ended December 31, 2001

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? X yes no

b) Federal Awards

Village East Fire Protection District did not receive federal awards during the year ended December 31, 2001.

Section II Financial Statement Findings

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2001.

No reportable conditions were noted during the audit for the year ended December 31, 2001.

Compliance

- 60-1 Criteria - Louisiana Revised Statute 29:1501-1515 requires that a budget document setting forth the proposed financial plan for the general fund and each special revenue fund include a budget message signed by the budget proposer which shall include a summary description of the proposed financial plan, policies, and objectives, assumptions, budgetary basis and a discussion of the most important features. It must also include a consolidated statement for the general fund and each special revenue fund, showing the estimated fund balance at the beginning of the year, estimates of all receipts and revenues to be received, revenues itemized by source, recommended expenditures itemized by department, function and character, and the estimated fund balance at the end of the year.

SCHEDULE OF FINDINGS
(Continued)

Village Fire Protection District

For the year ended December 31, 2001

Section II Financial Statement Findings (Continued)

01-1 Criteria (Continued)

The budget proposed for consideration by the governing authority must be accompanied by a proposed adoption instrument. The adoption instrument shall define the authority of the chief executive and administrative officers to make changes within various budget classifications without approval by the governing authority, as well as those powers reserves solely to the governing authority.

Condition - The budget document did not contain the required budget message and was not accompanied by a proposed adoption instrument.

Questioned Cost - None

Comment - Not applicable.

Effect - The District was noncompliant with state laws concerning budgeting.

Cause - The District made an oversight of state laws affecting budgeting for local government entities.

Recommendation - The District should comply with all requirements of the Louisiana Local Government Budget Act.

Views of Responsible Officials of the Auditor when there is Disagreement with the Finding, to the Extent Practical - None

- 01-2 Criteria** - Louisiana Revised Statutes 43:131-137 and 43:143 require that all minutes, ordinances, resolutions, budgets and other official proceedings of the District be published in the official journal.

Condition - The District did not publish all official proceedings of the Board in the official journal.

SCHEDULE OF FINDINGS
(Continued)

Village Fire Protection District

For the year ended December 31, 2001

Section II Financial Statement Findings (Continued)

01-2 (Continued)

Questioned Cost - None

Comment - Not applicable.

Effect - The District was noncompliant with state law, and the public was not able to be fully informed about the proceedings of the District.

Cause - The District made an oversight of this state law.

Recommendation - The District should publish all official proceedings of the Board in the official journal.

Views of Responsible Officials of the Auditor when there is Disagreement with the Finding, to the Extent Practical - None

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Village East Fire Protection District

For the year ended December 31, 2001

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2000.

No reportable conditions were reported during the audit for the year ended December 31, 2000.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 2000.

Section II Internal Control and Compliance Material to Federal Awards

Village East Fire Protection District did not receive federal awards during the year ended December 31, 2000.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2000.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Village East Fire Protection District

For the year ended December 31, 2001

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2000.
No reportable conditions were reported during the audit for the year ended December 31, 2001.

Compliance

- 01-1 **Recommendation** - The District should comply with all requirements of the Louisiana Local Government Budget Act.

Management's Response - The District is now aware of the requirements and will comply in the future.

- 01-2 **Recommendation** - The District should publish all official proceedings of the Board in the official journal.

Management's Response - Resolved, the District is now publishing all official proceedings in the official journal.

Section II Internal Control and Compliance Material to Federal Awards

Village East Fire Protection District did not receive federal awards during the year ended December 31, 2001.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2001.